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WASHINGTON - U.S. companies will be invited to attend classified conferances where they will be given sensitive information picked up by U.S. government intelligence services during routine military and political intelligence gathering operations, according to Lt. Gen. Norman Wood, director of the intelligence community's central staff.

``This is a way that we can provide intelligence to a company that has the clearance and sends someone to the symposium. We are not picking and choosing the company that gets it. The agenda is made available to every company,'' said Wood.

Wood was quoted in an interview by Signal magazine, published by the Armed Forces Communications and Electronics Association, an association in Fairfax, Va., composed of companies in the electronics industry.

The decision by intelligence officials to share commercially related information ``is mind blowing. This is a whole new ballgame as far as the intelligene community is concerned,'' said Dot Williams, who interviewed Wood for Signal.

``We are going to be spying on our [allies,]'' buddies," he said.

Mark Mansfield, a spokesman for the Central Intelligence Agency (CIA) and the intelligence community staff, in Langley, Va., was unable to comment. Wood declined to comment to Defense News.

Wood's statement was reinforced by Robert Gates, nominated for the post of director of the Central Intelligence Agency, in his confirmation testimony before the Snate Select Committee on Intelligence. When asked on Sept. 23 by Sen. John Warner, R-Va., whether he supported the use of the intelligence agencies to bolster U.S. international economic competitiveness, Gates said yes.

According to Warner, ``We've got to focus more of our assets in the Central Intelligence Agency as well as other intelligence agencies<TH>.<TH>.<TH> trying to give American industry, American traders, a competitive edge.''

Wood's statement that commercially valuable information would be passed out to industry at classified conferences is a major step for the intelligence community, said David Whipple, director of the Association of Former Intelligence Officers, based in McLean, Va. ``I'll be damned<TH>.<TH>.<TH>.<TH>I astonished<TH>.<TH>.<TH>.<TH>It is a very controversial subject right now,'' he

Previous statements suggesting that such information might be given out were quickly withdrawn because of public controversy, he said. Instead, intelligence officials discussed the dissemination of intelligence to the government for the purpose of helping formulate national economic policy, he said.

For example, William Webster, the serving director of the CIA and director of central intelligence, to whom the intelligence community staff reported, told an Oct. 1990 meeting that ``understanding regional and global trends and their implications for our nation is the job of intelligence<TH>.<TH>.<TH>.<TH>ir ce

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ill continue to advise on the military, political, and economic forces abroad which affect our nation.'' The meeting was hosted in Washington by the National Council of World Affairs Organizations.

The cause of the controversy over economic spying for industrial advantage is the difficulty of distributing information, Whipple said. ''If you give it to all companies at the same time, you lose the ability to gather intelligence,'' because the sources from where information is gathered will be gradually discovered and sealed up, he said.

But giving the information to a few companies widely seen as ''that is not in the American tradition, not ethical,'' he said.

''The problem is not collection, it is not analysis, it is dissemination,'' Whipple said.

According to Wood, the information would be disseminated at conferences to company representatives with appropriate security clearances.

Wood said the unclassified information would be distributed to policymakers and industrialists through the Energy Department, the Treasury Department and Commerce Department in Washington, which already runs the National Technical Information Service. The information service distributes its information to industry for the price of reproduction.

U.S. Intelligence Responds To Changing '90s Missions

National 'intentions' receive increasing scrutiny as bipolar fixation diminishes.

By Robert H. Williams

Demands on U.S. intelligence community assets are soaring. Not only is there a compelling need for the current order of battle information in the Soviet Union, but requirements for regional military, political and economic intelligence are skyrocketing.

Against this constantly changing backdrop is the certainty of continuing cuts in intelligence spending and what promises to be a fundamental reorganization of the entire U.S. intelligence apparatus by the House and Senate next year. Compounding this challenge, according to LTGen. C. Norman Wood, USAF, director of the intelligence community staff, is a pressing need to assess not only the military capabilities of traditional adversaries but the intentions of smaller, hostile nations in the Third World.

In a interview with *SIGNAL* Magazine, Gen. Wood suggests that these manifold missions always existed, but notes that with the end of the Cold War and what amounted to an inescapable bipolar preoccupation, a more diverse approach becomes necessary to protect U.S. interests through the 1990s. He says that a new wrinkle has surfaced—the ability to assess the aims of known and potential foes. Iraq, before the August 1990 invasion of Kuwait, is a case in point.

Some Bright Spots

There are some bright spots in this unfolding scenario. For example, Gen. Wood explains that before the collapse of the Soviet Union, the United States was compelled to take into account the Soviet response to policy initiatives in Central America, the Middle East, Africa and other trouble spots around the globe.

The Soviets are not the bi players in Egypt, Syria and Ira that they once were, he says adding that the United States now can take actions in the Middl East without as much concern fo predicting Soviet play. "The poin I am trying to make is that there has been a shift in what we can now do and what we used to do when we always had to take into account the Soviet response," he adds.

As for the Soviet Union, Gen. Wood points out that this "is the most unstable period we have had in our relationship, because everything we have known about

the Soviets in the past is changing. We used to have a very good order of battle on where their airplanes and tanks were located, and we knew that garrison X belonged to such a division, but now the Soviets are pulling their troops from Eastern Europe."

The Soviet Union, he adds, is cutting forces because of arms control agreements, "and we don't know where they are going to put those forces." The United States, therefore, must have a good collection effort against the Soviet Union to determine what the new base structure will be, he says.

No Going Back

The Soviet Union cannot go back, Gen. Wood says. There is no longer a Warsaw Pact. He suggests that the Soviet Union's threat to Europe is one that has to come though Poland, Czechoslovakia and a phalanx of other Eastern European nations. "If you look around to their client states—Cuba, Angola—they have reduced their commitments there to the point where they realize they cannot sustain external commitments. And, therefore, the pressure is not on us in those areas to counter them."

He says the Soviet leadership is maintaining control of its nuclear weapons. The leaders "are not dumb guys. Whenever you have an uprising to the point that you have to bring in hundreds of thousands of troops to quell a disturbance, you know instability is there. Any prudent person would do what is necessary to protect catastrophic weapons, and they do that. I think we would be remiss if we were not concerned about that. We are, but I don't see any reason to be alarmed."

This places a premium on human intelligence assets, Gen. Wood explains. He says efforts are underway to beef up this human intelligence capability.

"There is a spectrum of things you do from the very unsophisticated to the very sophisticated. One end is called spying, human spying. And on the other is what we call national technical means," explaining that with a lot of money, problems can be solved in a short time.

"Human intelligence doesn't respond by throwing money at it. You need to recruit people. You need to train people. You have to insert them. You have to work the linguistics problem, and this is a tougher challenge for the intelligence community," he says.

Cautiously Optimistic

The United States has reason to be "cautiously optimistic about Eastern Europe," Gen. Woods says. The people there want to be free, "but I don't think they understood the price they would have to pay for that, and there is ambivalence about that." He believes the United States is encouraging a "new life" and will do what it can to promote that.

Gen. Woods adds, "[The United States is] bending over backwards to help the Soviet Union right now. We want to see the leadership of the Soviet Union preserve stability. We don't want to antagonize them by calling them the enemy, but by the same token, they are the enemy. They are still the only country that has the strategic weaponry to threaten the continental United States. That really overshadows everything we do."

He explains that this rapidly changing world order is forcing the U.S. intelligence community to "switch from a total involvement with military capabilities—quantity, if you will, to quality. This implies an understanding of intentions, and we have always shied away from that. We have said that isn't our bag. We can't tell you what Saddam is thinking, but we can tell you he has a tank here." The

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pressure, he says, will be on intentions, and that will be the harder part.

Broadened Approach

One accelerating effort is to develop intelligence gathering and assessment qualities that range beyond measuring military force. U.S. intelligence is looking at political, economic and social instruments. "We haven't applied much attention to the social part of it in the past, except to note which factions are where. We haven't spent much time about worrying who is in charge of those factions. But if you are going to fathom intentions, you have to understand the politics of a country," Gen. Wood says.

He says the Army and the Central Intelligence Agency (CIA) have done a "pretty good job" of developing area specialists, but he avers the U.S. intelligence community would have to build on that good work. Gen. Wood explains that the other services, particularly the Air Force, must find a way to do that. "It is a little easier in the Army because you have a military intelligence branch," he says. "It is easy to bring a guy up who is a specialist and has a good career. In the Air Force, we are more in the vein of being generalists, and you pay a price for that."

Recruitment offers a threshold solution. "You've got to find the right people to bring into the agencies, whether it is the Defense Intelligence Agency (DIA), the CIA or the National Security Agency (NSA). You need the right kind of academic background, people who understand the politics of the societies they are monitoring."

Despite appearances to the contrary, Gen. Wood asserts that the scientific community always has been of interest to U.S. intelligence. The enemy has primarily been the Soviet Union, he says. "We may not have appeared interested, but we have focused on what we call denied area of collection—that is, behind the Iron Curtain—and that left very little room for open source collection," he says.

Economic Intelligence

Economic intelligence is receiving increasing attention, particularly the gray market of Third World technology. He points out that as a result of the Gulf War, not many nations want to buy Soviet-built equipment. France and Israel heavily are into marketing, he says. "We obviously are interested in what they are doing, and we will try to keep abreast of that. As a nation, though, we don't spy on industry."

Critical technologies, the underpinning of modern weapons systems, must be defined and protected, Gen. Wood notes. He says some countries currently are not as willing to cooperate with the United States on this issue as much as they have in the past when "we were confronted by a common enemy. They see a lucrative market and this impinges on our national security interest."

Gen. Wood mentions, however, that this stake in economic intelligence did not arise because the U.S. intelligence community was "seeking to fill a void" as tensions with the Soviet Union eased. "This is a misrepresentation. We have always had a set of economic requirements. We have always wanted to know about the economic status of the Soviet Union or some other enemy." With finite resources and the military threat being the primary driver, however, the United States put its money on that threat. "Now, with the threat changing, you are able to fulfill some of the already standing requirements that just happen to be economic," he says.

He believes that as the military threat from the Soviet Union

decreases from a conventional rather than a strategic standpoint, the United States will able to concentrate more on the steadily rising economic menace.

Looking at Europe

Gen. Wood cites the coming cohesiveness of the European economic community next year, saying if member nations become their own trading partners and do everything in Europe, it would have a national security impact on the United States in terms of industry. "We want to know as much about that as we can. The problem arises in what you do with the information that is acquired."

Gen. Wood says that the intelligence community cannot disclose product and market information to individual U.S. companies. Instead, he says, this increasing body of intelligence would be relayed to the Commerce and Energy Departments, where appropriate. This will bring them into the community as better partners, he adds. Because they are more informed, these departments can ensure this information is considered in policy formation, thus helping industry as a whole.

Gen. Wood also says this economic intelligence can be directed to U.S. industry through classified symposia such as the ones AFCEA and other associations regularly sponsor. "This is a way that we can provide intelligence to a company that has the clearance and sends someone to the symposium. We're not picking and choosing the company that gets it. The agenda is made available to every company."

Looking Toward Industry

As for intelligence research and development, Gen. Wood foresees problems. "We're going to have less money and fewer people...Certainly, it would be better for us to have somebody else do the research and development. It wouldn't cost us anything. We wouldn't have to put money and people against new or improved systems, if industry could do that for us." Gen. Wood adds that the trend will be to rely increasingly on industry, but development will be predicated on a case-by-case basis. Financial considerations will dictate whether development is performed in-house or contracted out.

He notes that industry itself is having problems in this downturn. Companies possess a finite number of engineers and scientists, and they must make decisions on what to cut and on what technologies should be kept alive. They want to know future intelligence system requirements.

Gen. Wood says the answer lies in passing this information to the Energy and Commerce departments and classified symposia. "We don't want the base to go away anymore than industry does, but with the reduced budgets that we've got, we are not exactly sure how to solve this problem," he says.

With regard to the pending reorganization of the intelligence community, Gen. Wood indicates a number of studies are being prepared on this topic. The House and Senate are working in this area, and recommendations are being prepared within the community. The Senate Permanent Select Commitee on Intelligence has covered quite a bit of ground, he adds.

Gen. Wood cites the recent Defense Department intelligence reorganization that was predicated on findings by Assistant Secretary of Defense Duane Andrews, who manages command, control, communications and intelligence. This reorganization, which is expected to have an impact on the shape of future legislation, concentrated on eliminating duplication and has fostered a merging of some service assets.

Team of Gray Beards

"At the same time, William A. Webster, director of Central Intelligence (DCI), called together a team of gray beards—the best way to describe them—to make recommendations," Gen. Woods says. This team of former high government officials, which is chaired by Daniel Childs, one-time staff director of the House Permanent Select Committee on Intelligence, is about to finish its work.

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Some of these recommendations, which also will be referred to Robert M. Gates, a senior CIA official, who has been nominated by President George Bush to succeed Webster, will be made administratively. Assuming Gates endorses this study and is confirmed by the Senate, it will be presented as a Bush administration plan.

Or as Gen. Wood relates, "When you decide you want to become more efficient, you discover things. As this group got into its inquiry, we began to make some slight changes. Now, the fact that there will be a change of DCIs alters the whole process."

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Gates may want to do a different type of investigation, Gen. Woods offers as an example. "He may already have some ideas on how he wants to reorganize it, because he is not a new guy to this process. So for the moment, we are at a standstill. In this transition period, we are waiting for Gates to be confirmed and put his mark on it."

Some Valid Criticisms

As for the content of this report, Gen. Wood says a primary criticism is the lack of a coordinated effort by the several intelligence agencies. The CIA and DIA may duplicate efforts, he says. How NSA fits into the "picture" is another consideration. The requirements of the smaller intelligence entities at the Energy, Treasury, and State departments are yet other issues.

"I don't think you will see duplication entirely eliminated, because in some areas it is necessary. The trick is to decide which areas need duplication because of the special requirements of particular agencies," Gen. Wood explains.

He mentions that "we've taken a lot of hits in the imagery business." Two groups serving different masters are looking at the same pictures, he gives as an example. "What the national community needs from a picture is different from what a guy flying a mission and going to a target needs," he says, adding that the process has been "scrubbed down, and we feel comfortable that we have eliminated needless duplication."

Human intelligence also has come in for criticism. The fact that "faultfinders" would say the Defense Department, the CIA and the Federal Bureau of Investigation don't coordinate their image intelligence and get into each other's way out in the field is, to a degree, justified, Gen. Wood concedes. "But I will say that this is a recognized criticism that's been looked at to the point that there will be much more cooperation in the future in the human intelligence area."

Friction, however, will not entirely be eliminated, Gen. Wood says, because there are questions of sources and methods. Agencies will not want to expose their agents in the field. "There also will continue to be criticism by people who don't understand the nuances of the law and the way we operate, and we'll just have to take that."

DCI Is the Boss

The intelligence community has faced a bad rap that indicates no one clearly is in charge, Gen. Wood notes. "That's just not true. [Webster] and Richard J. Kerr, deputy director of central

intelligence, are in charge of the community. What you have to understand is that not all the money to do things in intelligence is in the same pocket, and [Webster] doesn't control all of it." The Defense Department and other agencies control some, he offers. "[Webster] can be in charge of only the money he controls. We have some pretty good arm twisting sessions that include the program managers, who come to argue their programs."

He points out, however, that most of the intelligence budget is in the Defense Department, adding that for many years this portion of the Defense budget could not be cut when economies were required.

All intelligence agencies now are taking pro rata cuts. Gen. Wood says another modification has been made this year. With the dramatic changes in the world situation, Webster "decided it was time to really view our requirements and priorities. What does the world look like? Who are our friends and enemies?" The upshot is that the Soviet Union came under review first, but regional situations—Central America and illicit drugs, the Middle East, absent the Persian Gulf, and the Horn of Africa—also received their fair share of attention.

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Data Fusion Remains Goal,

Industry Must Solve Riddle

The U.S. intelligence community would like industry to develop true data fusion systems for its information systems, but LTGen. C. Norman Wood, director of the intelligence staff, notes that no such technology exists today that would automatically combine imagery, signals and human intelligence.

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"I'd like to get on a soapbox," says Gen. Wood, "and say we don't know how to do that. We do know how to collate and consolidate really well, but we have never known how to fuse, and that is something industry needs to be helping us to do. I think the fact that people go around and advertise that we can fuse data leads to a lot of unhappiness on the part of our operators, because we try to sell more than we are capable of doing."

He explains that there is no known technique of taking multiple inputs and "doing something with them in a black box, and they come out and tell you all you want to know about the target, and that's what fusion is. We still have to manually put together different categories of intelligence."

True data fusion, Gen. Woods adds, will require a technological breakthrough. And this is something that needs to be solved by industry.

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By Robert H. Williams

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Against this constantly changing backdrop is the certainty of continuing cuts in intelligence spending and what may be a fundamental reorganization of the entire U.S. intelligence apparatus. Compounding this challenge, according to LTGen. C. Norman Wood, USAF, director of the Intelligence Community Staff, is a pressing need to assess not only the military capabilities of traditional adversaries but also the intentions of smaller, hostile nations.

In an interview with *SIGNAL* Magazine, Gen. Wood suggests that these manifold missions always existed, but notes that, with the end of the Cold War and what amounted to an inescapable bipolar preoccupation, a more diverse approach becomes necessary to protect U.S. interests through the 1990s. He says that a new wrinkle has surfaced—the need to assess the aims of known and potential foes. Iraq, before the August 1990 invasion of Kuwait, is a case in point.

Bright Spots

Some bright spots do exist in this unfolding scenario. For example, Gen. Wood explains that, before the collapse of the Warsaw Pact, the United States was compelled to take into account the Soviet response to policy initiatives in Central America, the Middle East, Africa and other trouble spots around the globe.

The Soviets are not the big players in Egypt, Syria and Iraq that they once were, he says, adding that the United States now can take actions in the Middle East without as much concern for predicting Soviet play. "The point I am trying to make is that there has been a shift in what we can now do and what we used to do when we always had to take into account the Soviet response," he adds.

As for the Soviet Union, Gen. Wood points out that this "is the most unstable period we have had in our relationship, because everything we have known about the Soviets in the past is changing. We used to have a very good order of battle on where their airplanes and tanks were located, and we knew that garrison X belonged to a particular division, but now the Soviets are pulling their troops from Eastern Europe."

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Broadened Approach

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He says the Army and the Central Intelligence Agency (CIA) have done a "pretty good job" of developing area specialists, but he avers the U.S. intelligence community will have to build on that good work. Gen. Wood explains that the other services, particularly the Air Force, must find a way to do that. "It is a little easier in the Army because you have a military intelligence branch," he says. "It is easy to bring a guy up who is a specialist. In the Air Force, we are more in the vein of being generalists, and you pay a price for that."

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He believes that, as the military threat from the Soviet Union decreases from a conventional rather than a strategic standpoint, the United States will be able to concentrate more on the steadily rising economic menace.

Industrial Interest

Gen. Wood cites the growing economic cohesiveness of regions around the world, saying that U.S. national security in terms of "our industry can be affected. We want to know as much about that as we can. The problem arises in what you do with the information that is acquired."

Gen. Wood says that the intelligence community cannot disclose product and market information to individual U.S. companies. Instead, he says, this increasing body of intelligence would be relayed to the Commerce, Treasury and Energy departments, where appropriate. This will bring them into the community as better partners, he adds. Because they are more informed, these departments can ensure this information is considered in policy formation, thus helping industry as a whole.

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All intelligence agencies now are taking pro rata cuts, Gen. Wood says another modification has been made this year. With the dramatic changes in the world situation, Webster "decided it was time to really view our requirements and priorities. What does the world look like? Who are our friends and enemies?" The upshot is that the Soviet Union came under review first, but regional situations—Central America and illicit drugs, the Middle East, absent the Persian Gulf, and the Horn of Africa—also received their fair share of attention.

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Photography by Jack W. Sykes.

Data Fusion Remains Goal; Industry Must Solve Riddle

The U.S. intelligence community would like industry to develop true data fusion systems for its information systems, but LTGen. C. Norman Wood, USAF, director of the Intelligence Community Staff, notes that no such technology exists today that would automatically combine imagery, signals and human intelligence.

"I'd like to get on a soapbox," says Gen. Wood, "and say we don't know how to do that. We do know how to collate and consolidate really well, but we have never known how to fuse, and that is something industry needs to be helping us to do. I think the fact that people go around and advertise that we can fuse data leads to a lot of unhappiness on the part of our operators, because we try to sell more than we are capable of doing."

He explains that there is no known technique of taking multiple inputs and "doing something with them in a black box, and they come out and tell you all you want to know about the target, and that's what fusion is. We still have to manually put together different categories of intelligence."

True data fusion, Gen. Wood adds, will require a technological breakthrough. And this is something that needs to be solved by industry.